

STANDARD OIL COMPANY (INDIANA)
910 S. Michigan Ave.,
Chicago, Illinois 60680

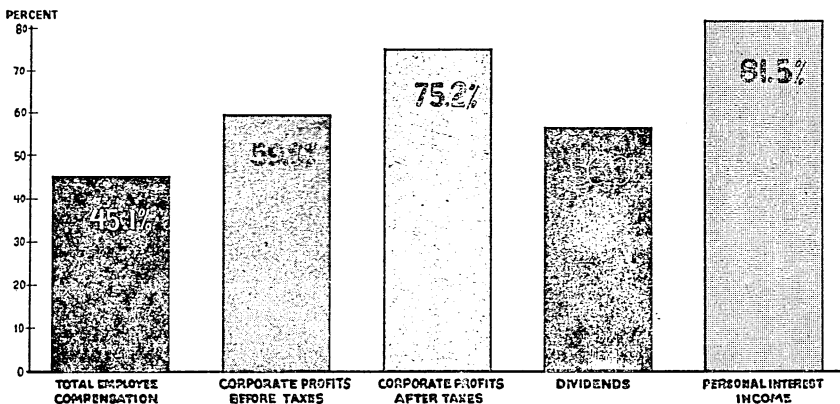
Mr. REUTHER. This company since 1960 has increased its dividends 16 percent per year on the average, and yet they turn around and raise the price of gasoline and other petroleum products to the American consumer. Why? Not because unit costs have gone up, but because they want to inflate their profits so that they can continue to increase dividends 16 percent a year.

Now you measure a 16 percent yearly dividend increase against the 3.2 wage formula, and you begin to understand where the basic inequity comes in. I should like to suggest respectfully that this is the front on which the Council Chairman ought to be expending his time and his energy, rather than trying to put the burden of higher prices upon the backs of the American wage earners.

When you look at what has been happening to the relative compensation of various economic groups in America, you can see that the wage earner has been on the short end of it, and here again these are from the Department of Commerce records. Total employee compensation—wages, fringe benefits, social security payments, salaries, everything—went up in this period 45.1 percent. Corporate profits before taxes went up 59.8 percent. Corporate profits after taxes went up 75.2 percent. Dividends went up 56.3 percent. And personal interest income went up 81.5 percent. So the wage earner has gotten the short end of the distribution of the national income during this period.

(The following chart was later supplied by the witness:)

EMPLOYEE COMPENSATION LAGGED FAR BEHIND NONLABOR INCOME (PERCENT INCREASES, SECOND QUARTER 1960 TO SECOND QUARTER 1966)



DATA: DEPT. OF COMMERCE

Chairman PROXMIRE. If I could interrupt just for a minute, Mr. Reuther, you have had almost 20 minutes and I would appreciate it if